



CITY OF HELENA
Affordable Housing Trust Fund Advisory Board
October 12, 2022 - 2:00 PM – 3:30 PM
Zoom Online Meeting; <https://zoom.us/j/98576794873>
Meeting ID: 985 7679 4873
Or, dial in at: 1 (346) 248-7799

Call to Order and Roll Call

(00:11:30) Roll Call was taken, and the following all responded present: Byron Beley, Riley Hanson, John Rausch, Stephanie Bull, Michael O’Neil, Rachel Ballweber, Chris Hunter

The following members were absent: None

Members of the public present: There were no members of the public present

Minutes

(00:12:21) September 14, 2022 meeting minutes unanimously approved

Regular Items

(00:13:10) A. Update on contracting for the underwriting reviews and financial management of the Trust Fund

(00:13:15) Kara explains that the services NeighborWorks will provide for the Affordable Housing Trust Fund have been divided into two areas, the first being on the front end of the application process with underwriting reviews, and the second will involve support with closing loans and some ongoing project reporting. Depending on the timing of when the contract details can be finalized and where in the application cycle the City is at, these services may end up being on two contracts as opposed to one, inclusive contract.

(00:15:30) Kara shares her screen, which shows the bid that NeighborWorks MT (NWMT) submitted for the additional services, including creation of template loan

documents, support closing loans, and annual reviews. For these services, NWMT is proposing a rate of \$65/hour, with a \$5 increase per year. The contract would be for a period of three years. Kara reiterated that NWMT has offered to attend Advisory Board meetings to present the material they have put together and to answer specific, financial questions.

- (00:18:19)** Michael asks if the plan is to have NWMT virtually attend meetings as opposed to paying them for travel time to get to Helena. Kara confirms that that is the case. NWMT is spread out between Great Falls and Missoula and it will probably be easiest to have them attend by zoom.
- (00:18:50)** Michael asks if NWMT will be presenting their underwriting reviews to the Board. Kara explains that NWMT has proposed to have their 1st round reviews back to the City by December 1st, at which point, the reviews and applications would be sent to the Board so they can familiarize themselves with the information and have questions ready to ask NWMT when they attend the meeting on December 14th. Kara asks the Board what their thoughts are on asking if NWMT will present their reviews as opposed to just having them available for questions. Michael responded that NWMT is skilled in giving financial overviews and that he thought a presentation would enrich the Board's understanding of the project. The structure of the presentation may depend on the number of applications and how much time we can give to each application. The first round will help the Board decide on the best process.
- (00:24:37)** Michael asks the Board to discuss how they would like to see the review meetings structured. Do they want to start with the application and here from the applicant first? Or hear from NWMT first? Rachel thought it would be nice to hear from NWMT prior to the applicant presentation so the Board has access to all the necessary information before hearing directly from the applicant. Chris asked if the Board would have an opportunity to ask questions of NWMT after the review meeting. Michael thought questions should be sent to Kara so it can be submitted to NWMT and then routed back to the entire Board.
- (00:28:36)** John asked how much money is being spent on the underwriting reviews and other administrative processes per application, and where is that money coming from. Further, John said he wasn't sure what kind of involvement from NWMT he would want to advocate for without knowing the price tag attached. Kara clarified that the payment for services from NWMT depends on the service. The underwriting reviews and presentations have a flat fee attached and the loan support has a per hour fee. Kara said she would clarify that staff time at a meeting would not have a 65/hr fee though. Kara went on to explain that some of the fees built in to the HAHTF process are intended to cover administrative costs associated with underwriting the loans.
- (00:31:39)** Stephanie shared how her bank approaches the loan process. Prior to the decision meeting, the group is given a credit analysis to review. During the loan committee meeting there is time for a presentation of the loan package, then decisions on loans are made at the end of the meeting or at the next meeting. Kara asks Stephanie if she has any thoughts on meeting structure, is it best to give people time to think about the material and make decisions at a following meeting or to do everything within one timeframe. Stephanie said

it's doable to break things into two meetings, but the idea behind giving people the material ahead of the meeting is that they're prepared to ask and answer questions and then be able to decide during that same meeting.

- (00:34:03)** Kara asked Stephanie and the Board if they had experience that might be helpful in deciding how long to give applicants to present their projects. Rachel responded that in similar situations an hour is scheduled for the applicant and they often only use 30 minutes, but that it's nice to have that flexibility. Michael said that the tax credit program through the Montana Board of Housing utilizes a very concise format that allows applicants to present their applications, but the decision-making process is based mostly on the applications they submitted, as opposed to the presentations they make. He thought the HAHTF would be similar in that their applications should hold all of the relevant details and the presentation is just an opportunity for them to highlight the project and answer questions. Byron stated that he did not feel the presentations should be an hour, but that applicants should be able to propose their projects in a 15–20-minute timeframe.
- (00:36:51)** Byron asked whether this process would occur during one meeting or be broken up between multiple meetings. Kara responded that she is hoping the group can give feedback during this meeting as to their preferences on how the content is presented and whether the Board wants a second meeting. She shares a calendar with the group to show what has already been planned and what timeframes need to be understood when making meetings, for example, decisions on projects should be made with enough time to get material submitted two weeks prior to the Commission Administrative meeting that it will get presented at. Michael asks if the Board needs to present at an Administrative meeting as well as a regular Commission meeting. Kara explains that the presentation really happens at the Admin meeting and the regular Commission meeting is when any unanswered questions get addressed and when the Commission makes their decisions, which is typically a pretty quick process.
- (00:40:00)** Kara explains that December 14th, 15th, and 16th are open as far as lengthening the current meeting or having a second meeting. The only timeframe that needs to be avoided is that an Administrative meeting starts at 4pm on the 14th, so that day would have to start earlier as opposed to running later in the day. Michael asks if the Board could meet earlier in the day on the 14th and everyone responded that it was doable. He went on to say that by the next meeting, we will know how many applications we have and be able to plan for the review meeting at that point.
- (00:43:47)** Kara told the Board that in planning for that meeting, it would be helpful to know what everyone's availability is during that week and what their preferences were on the structure of the meeting/s. John said he could make anything work and that he thought two meetings made the most sense. Byron thought two meetings would be best, on the 14th and the 16th. Kara asked if we could block out 1-4 pm on the 14th and 16th and the Board responded that that would work. Michael thought it would be a good idea that outstanding questions be submitted in writing with responses given to the Board prior to the second meeting or during the second meeting. He worried that if the second day was open to questions as well, it would be another version of the first meeting presentations.

(00:47:40) Kara summarized what she had heard so far. It sounded like the Board would find it helpful to hear a short presentation from NWMT on the underwriting review for each project. The board also wanted a presentation from each applicant, but something on the shorter side. So, perhaps 10 minutes for a presentation, 20 minutes for Q&A, with each applicant having a total window of 30 minutes. Or, with the NWMT part, a total of 45 minutes. Michael responded that he thought 30 minutes per application was a good place to start and that the NWMT reviews could probably fit within that time frame.

(00:50:51) Michael asked the Board to think about whether it was better to have NWMT open the meeting with an objective review, then have the applicant present, or the other way around. Rachel thought it would be more helpful to have the underwriting reviews happen first. Kara agreed, thinking it might feel like the applicant is getting set up to have their application reassessed after they've already presented. Michael clarified that the applicant will have access to the underwriting review prior to the meeting and Kara agreed.

(00:52:12) Kara said that the information provided so far in this meeting will be really helpful in planning the next meeting as well as the review meeting in December. Michael asked if anyone else had anything to add to this agenda item and the Board had nothing further to add.

Public Comment

(00:53:10) Michael asked if there was public comment. There was no public comment at this time.

Comments and Questions from the Board

(00:53:30) Michael asked the Board if there were any further comments or questions. The Board had nothing further to add.

Meetings of Interest / Announcements

(00:53:59) The next Advisory Board Meeting is scheduled for November 16, 2022 at 2pm. The standing meeting time is the second Wednesday of every month from 2-3:30pm.

Michael said he will also send out information for all of the FUSE meetings happening the week of October 17th.

Adjournment

(00:55:09) There being no further business before the Affordable Housing Trust Fund Advisory Board, the meeting adjourned at 3:00 p.m.